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**天津津燃公用事業股份有限公司**

**TIANJIN JINRAN PUBLIC UTILITIES COMPANY LIMITED**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 01265)

**DISCLOSEABLE TRANSACTION  
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT  
WITH THE BANK OF SHANGHAI**

The Board is pleased to announce that on 21 September 2018, the Company entered into a wealth management agreement to subscribe for the Bank of Shanghai Wealth Management Product in the subscription amount of RMB200 million (equivalent to approximately HK\$228 million). The Company utilised certain idle funds for the payment of the subscription amount under the Bank of Shanghai Wealth Management Agreement.

**LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the subscription amount under the Bank of Shanghai Wealth Management Agreement exceed 5% but are less than 25%, the transaction contemplated under the Bank of Shanghai Wealth Management Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on 21 September 2018, the Company entered into a wealth management agreement to subscribe for the Bank of Shanghai Wealth Management Product in the subscription amount of RMB200 million (equivalent to approximately HK\$228 million). The Company utilised certain idle funds for the payment of the subscription amount under the Bank of Shanghai Wealth Management Agreement.

A summary of the major terms of the Bank of Shanghai Wealth Management Agreement is set out below:

- (1) Date of subscription: 21 September 2018
- (2) Parties:
  - (i) the Bank of Shanghai (Tianjin branch); and
  - (ii) the Company

To the best knowledge, information and belief of the Directors, the Bank of Shanghai and its ultimate beneficial owners are parties independent of the Company and its connected persons. The Bank of Shanghai is principally engaged in banking businesses as approved by China Banking Regulatory Commission in accordance with the relevant laws, administrative rules and other regulations.

- (3) Name of wealth management product: Bank of Shanghai “Steady” Structured Deposit Product No.2\* (上海銀行「穩進」2號結構性存款產品)
- (4) Type of return: Principal-guaranteed with floating return
- (5) Type of product: Structured deposit
- (6) Product underlying link: The product is tied to the 3-month USD LIBOR
- (7) Risks associated with the product: According to the product risk assessment of the Bank of Shanghai, the wealth management product is considered as low risk
- (8) Subscription amount: RMB200 million (equivalent to approximately HK\$228 million). The Board believes that the terms of such subscription was determined on the basis of arm’s length commercial terms.
- (9) Term of investment: From 25 September 2018 to 26 March 2019 (182 days)
- (10) Rate of return: The actual return, being 0.00%, 4.05% or 4.25% of the wealth management product, is linked to the 3-month USD LIBOR. The actual rate of return is determined with reference to the daily performance of 3-month USD LIBOR.

The Company will be entitled to a rate of return as follows:

- (i) 4.25%, if the 3-month LIBOR is ranging from 6% (exclusive) to 7% (inclusive);
  - (ii) 4.05%, if the 3-month LIBOR is ranging from 0.01% (inclusive) to 6% (inclusive);
  - (iii) 0%, if the 3-month LIBOR is higher than 7% or less than 0.01%.
- (11) Calculation of net return:  $\text{Net return} = (\text{Investment principal amount} \times \text{Actual annualised rate of return} \times \text{Actual number of days of investment}/365) - \text{wealth management product management costs}$

The actual number of days of investment shall be counted from the date of establishment of the product to the maturity date of the product (i.e. 26 March 2019). In case of early termination, the actual number of days of investment shall be counted from the date of establishment of the product to the date of termination from Bank of Shanghai (in accordance with the right of early termination as stipulated below).

Wealth management product management costs = Investment principal amount x 0.10% x Actual number of days of investment/365

(12) Right of early termination: The Bank of Shanghai shall have the right of early termination in the following circumstances:

- (1) if a conflict between the operations of the assets and the provisions of laws, regulations and requirements of relevant regulatory authorities has arisen;
- (2) if there are changes in relevant laws, regulations, rules and policies, introduction of emergency measures, and major changes in the market environment;
- (3) force majeure, such as earthquakes, fires, wars and strikes; or
- (4) if the Bank of Shanghai believes that there are other circumstances that warrant a termination in advance.

In the event of early termination, the Bank of Shanghai will announce the relevant information through a specially appointed account manager 1-3 working days in advance.

The Company shall not early redeem the product in part or in full.

(13) Payment of principal and return: Under normal circumstances, the principal and the net return shall be paid to a designated account within two working days of the maturity date of the wealth management product.

If the wealth management product is terminated early, the payment of principal and return shall be paid to the subscriber in accordance with the agreement.

(14) Investment scope of the Bank of Shanghai Wealth Management Product: At least 30% to 100% of the investment product ratio shall be made up of, but not limited to, the following:

bonds, repurchase, borrowing, deposits, loans, cash, asset management plans (including but not limited to securities firms, insurance, funds, etc.) and insurance claims

Other types of asset-backed securities shall not exceed 90% of the investment product ratio.

The Bank of Shanghai has the right to change the investment product ratio of plus and minus 10%, in accordance with the market conditions and if the market conditions has a material adverse effect on the subscriber's return, the Bank of Shanghai shall notify the subscriber.

## INFORMATION ON THE COMPANY

The Company's principal activities are operation and management of gas pipeline infrastructure and the sale and distribution of piped gas.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE BANK OF SHANGHAI WEALTH MANAGEMENT AGREEMENT

Without affecting the Company's operational liquidity and fund security, the Company utilized certain idle funds to subscribe for highly secured principal-guaranteed wealth management product from Bank of Shanghai. Such subscription will not affect the need of working capital of the Company. Appropriate short-term wealth management with low risk exposure is conducive to enhancing the utilization of capital and increasing income from idle funds.

As the Bank of Shanghai Wealth Management Product is expected to yield better returns to the Company when compared to the fixed-term deposit interest rates offered by commercial banks in the PRC, the Directors consider that the subscriptions for the Wealth Management Products are on normal commercial terms and are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the subscription amount under the Bank of Shanghai Wealth Management Agreement exceed 5% but are less than 25%, the transaction contemplated under the Bank of Shanghai Wealth Management Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following terms used herein have the following meanings:

“3-month USD LIBOR”	an indicative average interest rate at which a selection of banks in London are prepared to lend to one another in US dollars with a maturity of three months
“Bank of Shanghai”	上海銀行股份有限公司 (Bank of Shanghai Co., Ltd*), a licensed bank established under the laws of the PRC
“Bank of Shanghai Wealth Management Agreement”	the wealth management agreement entered into between the Company and the Bank of Shanghai dated 21 September 2018 in relation to the subscription of the Bank of Shanghai Wealth Management Product
“Bank of Shanghai Wealth Management Product”	the wealth management product, which is denominated in Renminbi subscribed by the Company under the Bank of Shanghai Wealth Management Agreement
“Board”	the board of Directors

“Company”	天津津燃公用事業股份有限公司 (Tianjin Jinran Public Utilities Company Limited), a joint stock limited company incorporated in the PRC, whose H shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this announcement, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*In this announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB1 = HK\$1.14 for illustration purpose only. No representation is made to the effect that any amount in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

By Order of the Board  
**Tianjin Jinran Public Utilities Company Limited**  
**Zhao Wei**  
*Chairman*

Tianjin, the PRC, 21 September 2018

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhao Wei (Chairman), Ms. Tang Jie and Mr. Wang Quan Hong, three non-executive Directors, namely Mr. Hou Shuang Jiang, Mr. Wang Jin and Mr. Zhao Heng Hai, and three independent non-executive Directors, namely Mr. Zhang Ying Hua, Mr. Yu Jian Jun and Mr. Guo Jia Li.*

\* *for identification purpose only*